

News from Zambia

19 January – 18 February 2008

No. 811

FLORA LONDON MARATHON - UPDATE: You can now find full details on our website of Ann Leslie's bid to complete the Flora London Marathon on April 13 in aid of the Zambia Society Trust. Just go to www.zambiasocietytrust.org.uk and follow the link. You can also download a sponsorship form from the website. There will be an update on Ann's training and fundraising in the March issue of 'ZST News Extra'. In the meantime, if you would like to support her, either with a cheque or an offer of sponsorship, please write to her at: 7 Holmes Road, Earley, Reading RG6 7BH or email her: ann.leslie1@btopenworld.com. All cheques should be made payable to the **Zambia Society Trust**.

ZAMBIA'S AFRICA CUP HOPES DASHED: The Zambian national football team acquitted itself well in the group stage of the Africa Cup of Nations in Ghana, with a 3-0 win over Sudan, a 5-1 defeat against Cameroon, and a 1-1 draw with Egypt, the defending champions, but this was not enough to take the Chipolopolo through to the quarter-finals. In the final in Accra on 10 February, Egypt took the cup for the sixth time in a 1-0 win against Cameroon.

POWER CUTS TRAP MINERS: A country-wide power failure on 19 January blacked out the whole of Zambia and trapped some 369 miners underground overnight: 179 at Konkola, 90 at Mindolo North and 100 at Nkana South Ore body. The cause was thought to be a problem between Kariba North Bank and Leopards Hill in Lusaka due to lightning. Further cuts occurred over the next few days, and Luanshya Copper Mines and Chambeshi Metals announced they had jointly lost around \$4m because of the power outages. First Quantum Minerals Bwana Mkubwa also reported damage and lost production. (*Times of Zambia*, 21 and 25 January).

FLOODING TAKES ITS TOLL: Torrential rains have drowned Zambia's hopes of a fourth consecutive bumper maize harvest and there is still no sign that the rain will ease off as the country comes to grips with the extent of the damage, according to the latest UN report. Heavy downpours that began in the last week of November 2007 have swamped large areas along the banks of the swollen Magoye River, washing away infrastructure and flooding many hectares of agricultural land. Southern Province was hardest hit with 6 people killed and thousands fleeing from their flooded homes. But Lusaka has also been affected, with schools and clinics closed and homes flooded, particularly in unplanned informal settlements where there is a lack of drainage. Five lodges in the South Luangwa National Park in Mambwe district have had to be closed. Further rainfall is still expected, and the government has now banned the export of maize as a precaution. The World Food Programme (WFP) has estimated that 60-80% of crops across the country have been damaged, and that many small-scale farmers will struggle to survive. Barclays Bank, Coca Cola International and the government of Brazil have all made substantial donations for flood relief. (*IRIN*, 25 January, 4 February; *Times of Zambia*, 22, 25 and 30 January, 1 and 9 February; *ZNBC*, 16 February; *The Post*, 18 February).

ROY CLARKE CAN STAY: The Supreme Court yesterday upheld the decision of the High Court and rejected the attempt by Home Affairs Minister Ronnie Shikapwasha to deport *Post* columnist Roy Clarke (see *News from Zambia 810* for the background), on the grounds that such an action was unreasonable and disproportionate. Judge Peter Chitengi emphasised the importance of freedom of speech in a democracy and said that those who hold public office must be prepared to accept criticism. (*The Post*, 25 January; *Times of Zambia*, 25 January).

CONTROVERSY OVER NEW MINING TAXES: The World Bank has welcomed Zambia's new mining taxes, saying the \$415 million projected tax revenue from copper exports this year will also help the kwacha appreciate further against major currencies. World Bank country manager for Zambia, Kapil Kapoor, said the expected revenue would create opportunities to invest in infrastructure, particularly in poor rural areas. However, seven major mining companies in Zambia and the Chamber of Mines of Zambia have rejected the new tax regimes for the mining industry, arguing that the development agreements (DAs) were still binding. The mining firms have threatened legal action against the Government, noting that they were not consulted before the new measures were introduced, though some had agreed to re-negotiate the DAs. (*Reuters*, 29 January; *Times of Zambia*, 12 February).

ECONOMIC NEWS: Zambia's national budget deficit is expected to widen to 3.2% of gross domestic product in 2008 from 0.95% last year on increased development spending, according to Finance Minister Ng'andu Magande. He told parliament that the economy should grow by 7% this year after 6.2% in 2007. The 2007 growth figure was below the 7% rate projected earlier. The finance minister said inflation would average 7% in 2008 compared to an 8.9% average in 2007. The Government aims to consolidate measures that have seen urban poverty drop from 53% to 34% while trying to arrest rural poverty which has increased from 78% to 80%. Treasury data suggest that 65% of Zambians still live on less than \$1 a day. Fighting poverty and growing the economy are the main priorities for 2008. The British Government will provide some \$40m in support for Zambia's 2008 budget; of the total budget of K13.76 trillion, nearly 17% is contributed by Zambia's co-operating partners, and half of that comes from the UK. Humanitarian aid for flood relief from the UK will be additional and will be channeled through UN agencies. (*Reuters, 25 January; Times of Zambia, 26 January; The Post, 17 February*).

SPECIALIST HOSPITAL FOR LUSAKA: A group of Indian investors will build a US\$20million state-of-the-art specialist hospital in Lusaka to be called Lifeline hospitals - centre of excellence. Group leader Raj Kumar said that his team was in Zambia to sign a Memorandum of Understanding and were keen to commence construction of the hospital which is to be situated near the United Nations House on Alick Nkhata Road. (*Times of Zambia, 29 January*).

CHOLERA SUSPECTED IN KITWE: Several cases of what is thought to be cholera have been reported in Kitwe's Ipusukilo township where residents have been drinking contaminated water from shallow wells following the closure of water kiosks by Nkana Water and Sewerage Company (NWSC) because of non-payment. NWSC was persuaded to re-open the kiosks. (*Times of Zambia, 5 February*).

NEW HYDRO-ELECTRIC PLANT PLANNED: Zambia intends to build a \$1 billion hydro power plant, according to Finance Minister Ng'andu Magande, and foreign investors in its copper mines are willing to partially fund it to help ease a power deficit which has hurt production. Two mining companies have so far tentatively agreed with the government to provide some financing for the 750 megawatt Kafue Gorge Lower Power station. (*Reuters, 13 February*).

CHILUBA TO FACE CORRUPTION TRIAL: Former president Frederick Chiluba must stand trial on charges of stealing almost half a million dollars while he was in power between 1991 and 2001. Ndola High Court registrar Jones Chinyama ruled that Chiluba, along with two Lusaka businessmen, has a case to answer and set the trial date for May 5. He is accused of stealing funds from the treasury and transferring them to a foreign account operated by the National Intelligence Agency in a London branch of the Zambia National Commercial bank (ZNCB). But he has said some of the funds were his own money, given to him by his friends, while the rest was for national duties undertaken by the intelligence agency. He is also fighting in a Zambian court to block authorities from recovering \$58 million that the London high court last year ruled he had to repay, with interest, for allegedly stealing while in office. Chiluba denies any wrongdoing. He faces a minimum of five years in jail if found guilty. (*Reuters, 15 February; Zambia Daily Mail, 16 February*).

HIGH COMMISSIONER MADE FREEMAN OF LONDON: Zambia's High Commissioner to the United Kingdom, His Excellency Mr Anderson K Chibwa, was granted the freedom of the City of London at a ceremony in the Chamberlain's Court of the Guildhall on Friday 15 February. (*ZNBC, 16 February*).

Exchange Rate, 18 February 2008: £1=K7,309.00

Email subscriptions: Members are reminded that if they receive this newsletter by email rather than by post, it saves the Zambia Society Trust printing and postage costs, money that can be spent on projects in Zambia instead. If you would like to change to an email subscription, please contact Membership Secretary Jo Herkes at the address below.

New email addresses: Please note that both Jo Herkes, the Hon. Secretary, and Anne Fraenkel, Newsletter Editor, have new email addresses (see below). Please use these addresses in all future correspondence.

Correspondence and Membership queries to Jo Herkes, Honorary Secretary

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